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Remarks: Colonel White would like to have the Director of Training present for the entire meeting. He also asked that, if the DTR does not already have a copy of the MAG paper, one be provided prior to the meeting.			
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5 January 1970

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director for Science & Technology
Deputy Director for Support
General Counsel
Inspector General

FILE

Meeting

SUBJECT : Agenda for Deputies Meeting on Wednesday,
7 January 1970

At our last meeting we agreed that our first meeting of the new year would be on 7 January. It would be premature to discuss personnel ceilings at this meeting. We do, however, have several other pending items which I should like to take up at that time.

a. Career Training Program. On 5 December 1969 the Deputy Director for Support disseminated a proposal from the Director of Training dated 12 November for revision of the Career Training Program.

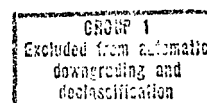
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b. The Management Advisory Group's Paper of 21 November 1969, entitled "Personnel Management." Copies of this paper were distributed at the Deputies Meeting of 26 November. If you have not already done so, please read it carefully inasmuch as I am scheduled to meet with MAG on 13 January, and I am anxious to give them your reactions to their first formal submission.

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c. CIA Representation at Senior Officer Colleges. Please see my memorandum of 17 December 1969 on this subject.

d. Planned Rotation. A memorandum on this subject was sent to each of you on 16 December. (We may not

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have time for this, and again it may be a more appropriate
subject after personnel ceilings are definitely fixed.

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L. K. White

Executive Director-Comptroller

cc: Director of Personnel
Director of Training

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MANAGEMENT ADVISORY GROUP - Paper No. 3

21 November 1969

PERSONNEL MANAGEMENT

Members of the Management Advisory Group have spent many hours during the past four months, in full group sessions and singularly, analyzing and considering problems confronting the Agency as it moves into its twenty-third year. We have reached a consensus on certain of the essential points and themes which consistently reoccur as principal matters. In conversations with our peers, including the current Mid-Career course participants, we believe that our consensus views on these essential points do, in fact, represent a widely-held attitude of the middle-grade officer in the Agency. Our desire to attempt to articulate these views, without inhibition, represents our first effort to try to function and to serve as an advisory group to management.

The Agency needs to develop a more effective system to ensure career growth, especially of those younger officers with the greatest potential for leadership. Decisive steps must be taken in order to make the Agency a "better place to work" in the next decade. MAG findings parallel the study Attrition II, dated 14 July 1969, which noted that the heaviest loss of professional personnel is for job-related reasons and that this loss has been especially acute in the age 40 and below range. The significance of this is underscored by the fact that the Director of Personnel feels that for the years ahead the Agency may be facing a management succession crisis. In fact, the rapid growth of the Agency in its early years permitted a regular increase in personnel with a sufficiently broad base to permit comparatively fast promotions and steadily expanding responsibilities, reducing the pressures for long range career planning. The same is somewhat true today within the younger directorate, DDS&T. Indeed, this situation began to change in the early 1960's--by 1964 the personnel strength figure peaked--but it was not reflected in significant alterations in career development planning. As we moved into the late 1960's, the situation had worsened. Confronted with a reduction in manpower, in absolute terms, and a very tight budgetary situation, steps more than ever are called for in order to ensure career growth.

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The most precious asset of the Agency is its people. This is given recognition by the personal personnel management system that has always been a pride of the Agency. And we should be proud of such a system. Moreover, lack of job challenge, emphasized by a number of our younger officers, must be overcome if the Agency is to retain the dynamism and growth potential needed to meet present and future responsibilities. Despite a relatively rosy reading by some, uncertain and slow advancement in responsibility, the lack of opportunity to pursue professional interest, and slow promotions are factors which have affected morale.

Statistics provided us with some depressing eye openers. For

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the disproportionate distribution between directorates exacerbating the problem. Similarly, average time in grade--e. g., in the DDP 68 months from GS-13 to GS-14; 88 months from GS-14 to GS-15--illustrates the fact that a man, possibly entering via the CTP, moves through the early grades rapidly and then smacks head-on into the bulge which exists, especially in the DDP but also in the DDI and DDS, at the middle levels. Promotion patterns are significant because advancement of young men represents the best means of revitalizing an organization from within, is the best guarantee of broadened responsibility for top-flight officers, and sets the stage for effective management programming.

We believe the Agency is at a crossroads point and that, with an eye to meeting the challenge of the 1970's groundwork must be laid to: (1) encourage the development of a sound management succession program; (2) assist supervisors in formally identifying and weeding out of the chain of command and promotion personnel who have topped out; (3) facilitate promotions and increase job responsibilities; and (4) combine the personal security features of the Civil Service system with a recognition of the need for a shorter career base. To make such a system work will require some rather significant changes in the modus operandi of the Agency toward career development and, incidentally, will require more candor on the part of supervisors and managers. We are mindful that the various levels of senior management, to differing degrees, are aware of these problems although they may not sense the extent of concern in the middle ranks. Pockets of sheer enlightenment have been found in our probings. The Director of Personnel, for example, has described his management succession study and plans in most relevant terms.

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Several proposals are forwarded with this memorandum which illustrate specific ways in which MAG members believe steps could be made to achieve some of the initiatives needed in personnel management and career development. These include accelerated promotions, the establishment of a "comers list," and a selective program of involuntary retirement. These proposals interrelate and are designed to provide a package approach to the problem.

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CAREER DEVELOPMENT

It is essential to implement with all due speed a career development program for the Agency's most able younger officers, in a planned and orderly way. The anticipated increase in regular retirements over the next few years--possibly accompanied by limited involuntary retirement--will produce headroom at the top. This will not, however, adequately solve the problem for the middle-grade and younger officers of high ability. Time-in-grade continues to weigh too heavily in consideration for promotion of junior and middle-grade Agency officers, and the dissatisfaction of these officers is very real. They are reacting to their own considerable difficulty in moving ahead in this Agency due in part to external factors, e.g., limitation on the number of super-grade positions in the Agency, budgetary ceilings, masses of personnel grouped in the middle grades, and the general sense of movement that younger people experience elsewhere in our society both in and outside the public sector.

The new professional officer has particular concern in two areas: first, he learns that young interns in other Government branches move from Grade GS-07 to GS-11 or GS-12 more or less automatically--and at a faster rate than young Agency officers; and secondly, he quickly hears about seemingly never-ending "humps" or long time-in-grade averages beyond GS-11 or GS-12 and is depressed about his own career prospects. He can personally believe and perhaps has been told by senior officers that he could do a better job than some officers of higher grade who have topped out, but this is little consolation when he sees his advancement blocked. It is simply not enough to tell an individual, even repeatedly, that he has a career with CIA and then apply an ad hoc approach to his assignments and rate of promotion.

The two proposals which follow are designed to overcome the blockage in the middle grades so that young officers can have a greater sense of confidence in their future career growth.

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1. Accelerated Promotions. MAG would like to outline a proposal calling for the establishment of an accelerated promotion schedule. Each career service would reserve a percentage of its promotion quota for outstanding officers with only minimum regard for time-in-grade. This would introduce a system for rapid advancement of the most promising younger officers. The following table illustrates in general how this might be accomplished, recognizing it may vary from directorate to directorate.

<u>Promotion Category</u>	<u>Time-in-Grade Requirements</u>	<u>Percentage of Slots Reserved*</u>
GS-12 to GS-13	1 year or less	25%
GS-13 to GS-14	2 years or less	25%
GS-14 to GS-15	3 years or less	25%
GS-15 to GS-16	4 years or less	25%

2. Comers List. Promising junior and middle grade officers, usually under age 40, would be identified fairly early in their careers and given positions of increased responsibility as part of a mutually-discussed career growth plan. Some Agency offices actually have such a list though it is an informal one. The number of "comers" could be specified, such in each directorate at GS-15 or below, although the figure should probably be less in the smaller directorates. (Many of those on the "Comers List"

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 *The principle of flexibility would have to be borne in mind in carrying out such a program. Take, for example, the high-performing individual in GS-13 who has slightly over two years in grade at the time the program is instituted. He should probably be compensated with promotion at that time or the time of the next panel meeting six months or a year later. The significance of the accelerated promotion proposal is that it lays down a set of impersonal criteria which would have to be followed and it commits the Agency to the principle that the accelerated advancement of highly qualified younger officers should be encouraged. This would be a significant step in restoring dynamism to the Agency's personnel profile.

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would find themselves a recipient of an accelerated promotion.) Excellent young officers who are identified as "comers" would be given special attention and moved into positions designed to forward their career development and to prepare them for leadership roles in management. In this process, certain officers who have "topped out" might be moved out of direct-line jobs.

Directorates would administer this program by submitting periodic reports on its "Comers List" personnel to an Agency coordinating authority, such as the Executive Director-Comptroller. Such a monitoring program would be designed to ensure that appropriate planning for career growth of the "comers" is instituted and maintained. In addition to being given positions of increased responsibility, those on the "Comers List" would receive added opportunities for internal and external training.*

*As these personnel assumed new positions of responsibility, they would be put through an intensive program of management training. In this they should be joined by other personnel, also expanding their management skills, as part of a general effort to overcome deficiencies in management training evident at various supervisory levels in the Agency.

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SELECTIVE INVOLUNTARY RETIREMENT PROGRAM

The Agency faces an externally directed reduction in personnel strength which cannot be met solely through attrition. There is a concomitant need to open up assignment and promotional opportunities in order to attract, retain, and develop the young careerists of today for the challenge of the 1970's and beyond. As a step towards solving the problem this paper outlines a limited program of involuntary retirements as one credible solution available to management.

The Director of Central Intelligence has discretionary authority to terminate the employment of any employee of the Agency under section 102(c) of the National Security Act of 1947, as amended. It is recommended that, using this authority, the Agency undertake a limited program of involuntary retirement involving individuals under the two Federal Staff retirement systems applicable to Agency employees.

The CIA Retirement Act and the Civil Service retirement system have identical age and length of service requirements for involuntary retirement. Employees separated without cause are eligible for an immediate annuity if they have completed 25 years of service, or if they are at least 50 years of age, 20 years of service (under the CIA Retirement Act, ten years with the Agency and five qualifying). In addition, annuities have been substantially increased as a result of recent liberalizations in the Civil Service law. Legislation is now pending before the Congress to make comparable adjustments for the CIA retirement system. As a general rule:

a. After 30 years of service, assuming one year sick leave credit, the basic annuity is 62 percent of high three salary under the CIA system and 59.25 percent under the Civil Service system.

b. Generally for the first three years of retirement, when Federal income taxes are not applicable, net income from a basic annuity, based on 30 years service and one year sick leave credit, approximates the employee's net take-home pay, after Federal and state income tax and retirement deductions. Further, the purchasing value of this retirement income is substantially preserved by virtue of built in adjustments to meet increases in cost-of-living.

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We recognize the fact that the Agency is a people-oriented organization. We heartily endorse this approach to the extent it clearly serves the best interests of the Agency and is not overly protective of the few to the detriment of the many. The continued retention of an employee who no longer performs with the effectiveness once expected and currently needed is clearly not in the long-term interest of the Agency when it impairs the development of promising young officers whose career commitment is essential. It is hoped that the problem facing the Agency with respect to ceiling reduction and the unblocking of developmental and promotional opportunities can be met through proper attrition, other programmatic efforts, and accelerated voluntary retirements as the result of liberalizations in retirement laws. To the extent that it is not, we propose the initiation of an involuntary retirement program using the following parameters:

- a. On an Agency-wide basis identify employees 55 and over and those with 30 years of service, regardless of age, who would be entitled to an immediate annuity of not less than 60 percent of "average basic salary."
- b. Rank the identified employees according to time-in-grade without promotion.
- c. Establish groupings of ranked employees by specific time-in-grade criteria, e.g., GS-15's--ten or more years in grade; GS-14's--eight years in grade; GS-13's--six years in grade.
- d. Establish the number of separations to be effected under the program.* Assign quotas to each directorate and appropriate independent office groupings. Provide rank/grouping data and projected annuity information on employees in the zone of consideration.

*Scope of program. It is recommended that the program be implemented on a pilot basis with total separations not to exceed the difference between authorized strength and the projected number by which the Agency would otherwise be overstrength over the time involved (considering such factors as attrition, other programmatic reductions, and anticipated voluntary retirement).

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e. Directorates and independent office groupings would nominate, according to quota, employees in the zone of consideration for involuntary retirement. Nominations would be submitted to the Director, with the Director of Personnel's accompanying recommendation on any request for exception on compassionate or other established grounds. Exceptions approved by the Director would require a replacement nominee from the proposing Directorate or independent office grouping.

It is recognized that involuntary separation is an emotionally difficult task and should only be taken after management has exhausted all other suitable efforts to overcome the problem the Agency faces. It is most important, therefore, that promotional assignment opportunities created as a result of involuntary retirement vacancies not be wasted. Hopefully, follow-on promotions and assignments will be made along the lines recommended elsewhere in this paper to meet the overall developmental needs of the Agency.

We believe that the approach recommended above, if accompanied with dignity and compassion and without a pejorative air, could begin a pipeline toward early retirement. Its effect should be felt within a year of inception. Applied equally across the several senior grades, it might stay the desirable officers from opting out early if he sees a true thinning of the ranks of his competition for promotion. The ultimate judgments on who would go and who would be encouraged to remain would clearly have to be made on a directorate-wide level if it is not to become the 701 program revisited.

We believe that the credibility of the proposed involuntary retirement program depends heavily upon the effective use of the Agency's legal authorities and capacity for initiative and innovation to assist affected employees in preparing for and establishing themselves in a second career. We believe that a responsive program in this connection would, at a minimum, include sabbaticals (academic, relocational, or vocational) and resourceful out-placement.

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